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OPELOUSAS-EUNICE PUBLIC LIBRARY  
OPELOUSAS, LOUISIANA  
FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-26-06

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A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA  
1904-1984  
John Newton Stout, CPA  
1936-2005

Retired

Harold Dupre, CPA  
1996  
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1998  
Joel Lanclos, Jr., CPA  
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2005

INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Opelousas-Eunice Public Library  
Opelousas, Louisiana

We have audited the accompanying financial statements of the Opelousas-Eunice Public Library, as of and for the year ended December 31, 2005, which collectively comprise the basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Opelousas-Eunice Public Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Opelousas-Eunice Public Library, as of December 31, 2005, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

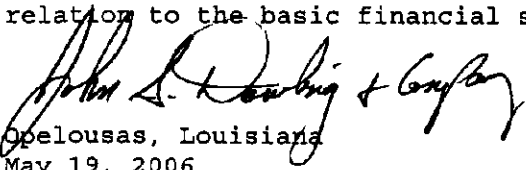
In accordance with Government Auditing Standards, we have also issued our report dated May 19, 2006, on our consideration of the Opelousas-Eunice Public Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Opelousas-Eunice Public Library has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the financial statements.

Board of Directors  
Opelousas-Eunice Public Library  
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The other required supplementary information on pages 17 and 18 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Opelousas-Eunice Public Library's basic financial statements. The other supplementary information on page 19 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Prior Year Findings as listed in the table of contents as required by the Louisiana Legislative Auditor is presented for purposes of additional analysis and is not a required part of the financial statements of the Opelousas-Eunice Public Library. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Opelousas, Louisiana  
May 19, 2006

BASIC FINANCIAL STATEMENTS

OPELOUSAS-EUNICE PUBLIC LIBRARY  
OPELOUSAS, LOUISIANA  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2005

	<u>GOVERNMENTAL ACTIVITIES</u>		
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$121,314	\$2,336	\$123,650
Investments:			
Eunice	39,775		39,775
Prepays	2,293		2,293
Capital assets (net)	<u>193,164</u>		<u>193,164</u>
<u>Total assets</u>	<u>356,546</u>	<u>2,336</u>	<u>358,882</u>
<u>LIABILITIES</u>			
Accounts payable	6,192		6,192
Accrued liabilities	14,865		14,865
Compensated absences payable	<u>4,593</u>		<u>4,593</u>
<u>Total liabilities</u>	<u>25,650</u>	<u>-0-</u>	<u>25,650</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	193,164		193,164
Unrestricted	<u>137,732</u>	<u>2,336</u>	<u>140,068</u>
<u>Total net assets</u>	<u>330,896</u>	<u>2,336</u>	<u>333,232</u>

The accompanying notes are an integral part of this statement.

OPELOUSAS-EUNICE PUBLIC LIBRARY  
OPELOUSAS, LOUISIANA  
STATEMENT OF ACTIVITIES  
DECEMBER 31, 2005

<u>Activities</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Change in Net Assets Governmental Activities</u>
	<u>Expenses</u>	<u>Fees, Fines, and Charges for Services</u> <u>Operating Grants and Contributions</u>	
<u>Governmental Activities</u>			
General government - library services	\$363,971	\$10,265	\$ (315,349)
Total governmental activities	<u>363,971</u>	<u>10,265</u>	<u>(315,349)</u>
<u>General Revenues</u>			
Inergovernmental revenues			295,203
Interest and investment earnings			817
Donations of fixed assets			6,914
Miscellaneous income			2,802
Total general revenues			<u>305,736</u>
Change in net assets			(9,613)
Net assets - January 1, 2005			<u>342,845</u>
Net assets - December 31, 2005			<u>333,232</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS



OPELOUSAS-EUNICE PUBLIC LIBRARY  
OPELOUSAS, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2005

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>			
Cash	\$121,314	\$2,336	\$123,650
Investments:			
Eunice	39,775		39,775
Prepays	2,293		2,293
<u>Total assets</u>	<u>163,382</u>	<u>2,336</u>	<u>165,718</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts payable	\$6,192		\$6,192
Accrued liabilities	14,865		14,865
Compensated absences payable	4,593		4,593
<u>Total liabilities</u>	<u>25,650</u>	<u>-0-</u>	<u>25,650</u>
<u>FUND BALANCES</u>			
Unreserved - undesignated	137,732	\$2,336	140,068
<u>Total fund balances</u>	<u>137,732</u>	<u>2,336</u>	<u>140,068</u>
<u>Total liabilities and         fund balances</u>	<u>163,382</u>	<u>2,336</u>	<u>165,718</u>

The accompanying notes are an integral part of this statement.

OPELOUSAS-EUNICE PUBLIC LIBRARY  
OPELOUSAS, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2005

Total fund balances for governmental funds at December 31, 2005		\$140,068
Cost of capital assets at December 31, 2005	\$1,001,705	
Less: Accumulated depreciation as of December 31, 2005	<u>(808,541)</u>	<u>193,164</u>
Net assets at December 31, 2005		<u>333,232</u>

The accompanying notes are an integral part of this statement.

OPELOUSAS-EUNICE PUBLIC LIBRARY  
OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Intergovernmental			
City of Opelousas	\$191,400		\$191,400
City of Eunice	103,803		103,803
Grant income			
State Aid to Libraries	25,511		25,511
Interest earned	811	\$6	817
Miscellaneous			
Donations of fixed assets	6,914		6,914
Machine charges	3,174		3,174
Library fines, fees	3,444	3,647	7,091
Miscellaneous grant income	12,846		12,846
Miscellaneous income	2,802		2,802
Total revenues	<u>350,705</u>	<u>3,653</u>	<u>354,358</u>
<u>EXPENDITURES</u>			
Current			
Executive and administrative	298,501	251	298,752
Capital outlay			
Books	52,311		52,311
Furniture and equipment	15,562		15,562
Total expenditures	<u>366,374</u>	<u>251</u>	<u>366,625</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER</u>			
<u>(UNDER) EXPENDITURES</u>	<u>(15,669)</u>	<u>3,402</u>	<u>(12,267)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	2,500		2,500
Operating transfers out		(2,500)	(2,500)
Total other financing sources			
(uses)	<u>2,500</u>	<u>(2,500)</u>	<u>-0-</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>(13,169)</u>	<u>902</u>	<u>(12,267)</u>
<u>FUND BALANCES, beginning of year</u>	<u>150,901</u>	<u>1,434</u>	<u>152,335</u>
<u>FUND BALANCES, end of year</u>	<u>137,732</u>	<u>2,336</u>	<u>140,068</u>

The accompanying notes are an integral part of this statement.

OPELOUSAS-EUNICE PUBLIC LIBRARY  
OPELOUSAS, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2005

Total net change in fund balances for the year ended December 31, 2005 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$(12,267)
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$67,873	
Depreciation expense for year ended December 31, 2005	(65,219)	<u>2,654</u>
<u>Total change in net assets for the year</u> <u>ended December 31, 2005 per Statement</u> <u>of Activities</u>		<u>(9,613)</u>

The accompanying notes are an integral part of this statement.

OPELOUSAS-EUNICE PUBLIC LIBRARY  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Opelousas-Eunice Public Library was established in compliance with Louisiana Revised Statutes 24:514.

The Library District is governed by a board of commissioners, composed of seven members. The members of the Board serve without pay.

The accompanying financial statements of the Opelousas-Eunice Public Library have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies and practices of the Opelousas-Eunice Public Library:

A. FINANCIAL REPORTING ENTITY

The financial statements of the Library consist only of the funds of the Library. The Library has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Library.

The Library, as categorized by GASB 14, is considered a joint venture of the cities of Opelousas and Eunice. The cities do not exercise significant influence over management or fiscal matters of the Library but do provide substantial operating revenues of the Library.

B. BASIS OF PRESENTATION

Government-wide Financial Statements (GWFS). The Statement of Net Assets and Statement of Activities display information about the Opelousas-Eunice Public Library, as a whole. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Fiduciary funds are not included in the GWFS.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Library's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods and services offered by the programs, and (b) requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The Opelousas-Eunice Public Library uses funds to report on its financial position and the results of its operations. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

OPELOUSAS-EUNICE PUBLIC LIBRARY  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. BASIS OF PRESENTATION (Continued)

Governmental Funds

General Fund - The General Fund is the general operating fund of the Library District. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are restricted to expenditures for specified purposes.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. The fund financial statements utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statements utilize an "economic resources" measurement focus. The accounting objective of this measurement focus is the determination of operating income, changes in net assets and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

OPELOUSAS-EUNICE PUBLIC LIBRARY  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)

Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Library's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Library's revenues. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

Purchases of various operating supplies are regarded as expenditures at the time purchased. The costs of governmental fund-type inventories are recorded as expenditures when purchased and items on hand at year-end, if any, are not recorded as assets, unless material. Expenditures for insurance and similar services which extend over more than one accounting period are accounted for as expenditures of the period of acquisition.

D. BUDGETS

The Library follows these procedures in establishing the budgetary data reflected in these financial statements.

1. At least thirty (30) days prior to the beginning of the fiscal year, the Librarian submits to the Board of Commissioners an operating and capital budget for the succeeding year.
2. A public meeting is scheduled by the Board of Commissioners after allowing for at least ten (10) days notice to the public is initially submitted to the Board of Commissioners.
3. The budget must be finally adopted by the Board no later than the last day of the preceding fiscal year.
4. The Librarian and the Board may authorize transfers of the budgetary amounts within departments and revisions requiring alteration of levels of expenditures or transfers between departments.
5. Operating appropriations, to the extent not expended, lapse at year-end. Capital appropriations continue in force until the project is completed or deemed abandoned.
6. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) and were amended as required by Louisiana Revised Statutes 39:1303.

All budget appropriations lapse at year-end. Revenues may not legally fall short of budgeted amounts by more than five percent and expenditures may not legally exceed budgeted appropriations by more than five percent at the individual fund level. The Library does not use encumbrance accounting.

The budget amounts disclosed in this report are as amended by the Board.

OPELOUSAS-EUNICE PUBLIC LIBRARY  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. ENCUMBRANCES

Encumbrance accounting is not used by the Library.

F. CASH AND INVESTMENTS

Cash and cash equivalents include those investments purchased with original maturities of 90 days or less. Under state law, the Library may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Library may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledge fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

G. CAPITAL ASSETS

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activity column in the government-wide financial statements. All purchased fixed assets are valued at cost or estimated historical cost. The amounts of estimated costs are immaterial to these financial statements. Donated fixed assets are stated at their fair market value on the date donated.

The Library maintains a threshold level of \$5,000 or more for capitalizing capital assets prior to 2004. Thereafter, the Library maintains a threshold level of \$500 for capitalizing machinery and equipment, furniture and fixtures, and paintings and stuffed wildlife. All books purchased are capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

Books	5 years
Furniture and fixtures	5 years
Machinery and equipment	5-7 years
Paintings and stuffed wildlife	5 years

The Library has no public domain or infrastructure outlays.

H. COMPENSATED ABSENCES

The Library has the following policy regarding vacation and sick leave. Annual vacation leave is earned on monthly basis and no leave is granted until the employee has been working one year. Annual leave may only be taken after it has been earned (accumulated). An employee may be allowed to carry over an amount up to one-half of their annual leave earned as of their anniversary date into the next vacation year, with the understanding that it will be forfeited with no future payment for hours lost if not used in that vacation year. No annual leave is earned while an employee is on leave of absence without pay. Actual paid hours determine actual entitlements.



OPELOUSAS-EUNICE PUBLIC LIBRARY  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. COMPENSATED ABSENCES (Continued)

All annual leave earned, including amounts carried over, will be applied to absences due to illness when any available paid sick leave has been depleted. Annual leave of three days or more shall be approved by the administrative librarian at least five days in advance. Employees may accumulate up to 224 hours of sick leave. No compensation is allowed for unused sick leave when employees terminate their employment.

I. RETIREMENT

Employees of the Library contribute to the Social Security Retirement System.

J. INVENTORY

The Library practices the policy of recording materials and supplies as expenditures when acquired. The Library does not record any of these items as inventory because the amount of the items in stock is insignificant.

K. PREPAID ITEMS

Payments made for services that will benefit periods beyond December 31, 2005, are recorded as prepaid items.

L. LONG-TERM DEBT

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. There is currently no long-term debt owed by the Library.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

M. EQUITY CLASSIFICATIONS

In the government-wide statements, equity is classified as net assets and displayed in three components:

1. Invested in capital assets, net of related debt - Consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net assets - Consist of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

OPELOUSAS-EUNICE PUBLIC LIBRARY  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

M. EQUITY CLASSIFICATIONS (Continued)

3. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

N. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE (2) - CASH

The bank balance of cash was \$120,332 at December 31, 2005 and the carrying amount of cash was \$123,650 at December 31, 2005. Of the bank balance, approximately \$102,178 is covered by FDIC insurance and approximately \$18,154 is covered by securities held by the bank in the Library's name.

These deposits are stated at cost which approximates market. At December 31, 2005, the bank balance of cash of \$120,332 is fully secured by federal depository insurance.

NOTE (3) - INVESTMENTS

Investments at December 31, 2005 consist of one certificate of deposit at St. Landry Bank with a balance of \$39,775. It is fully secured by federal depository insurance.

NOTE (4) - EMPLOYEE BENEFIT

All employees who are hired on a permanent basis working at least thirty-five hours per week, not participating in another public funded retirement system and under age sixty at date of employment are members of the Municipal Employees' Retirement System (MERS).

OPELOUSAS-EUNICE PUBLIC LIBRARY  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005

NOTE (4) - EMPLOYEE BENEFIT - CONTINUED

Municipal Employees' Retirement System

Plan Description:

The Municipal Employee's Retirement System of Louisiana (the System) is a cost-sharing multiple employer-employee retirement system (PERS) as established and provided for by R.S. 11:1731 of the Louisiana Revised Statutes (LRS). The System is composed of two district plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the Library are members of Plan A.

The Municipal Employee's Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Municipal Employee's Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

Funding policy:

Plan members are required to contribute 9.25% of their annual covered salary and the Library is required to contribute at the actuarially determined rate, 15.00% for the first two quarters of 2005 and 16.00% for the last two quarters of 2005, of the total annual covered salary. The Library's employer contributions to Municipal Employees' Retirement System for the years ended December 31, 2005, 2004, and 2003 were \$22,081, \$17,938, and \$13,051, respectively, and were equal to the required contribution for each year. The Library's employee contributions to Municipal Employees' Retirement System for the years ended December 31, 2005, 2004, and 2003 were \$13,163, \$12,764, and \$12,259, respectively, and were equal to the required contribution for each year.

All employees who are not members of MERS contribute a percentage of each employee's salary to the Social Security Retirement System (7.65% contributed by the Library, 7.65% by the employee).

NOTE (5) - BOARD OF COMMISSIONERS' COMPENSATION

The Board of Commissioners is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for out-of-pocket town travel expenses incurred in accordance with the regular personnel policy.

NOTE (6) - CAPITAL ASSETS

Capital assets and depreciation activity, as of and for the year ended December 31, 2005, for the Opelousas-Eunice Public Library are as follows:

	Balance January 1, 2005	Additions		Retirements Sales and Discards	Balance December 31, 2005
		Purchases	Donations		
Governmental Activities					
Equipment	\$58,521	\$10,443			\$68,964
Furniture and fixtures	30,820	5,119			35,939
Books	798,770	45,397	\$6,914		851,081
Paintings and stuffed wildlife	15,000				15,000
Improvements	30,721				30,721
Totals at					
historical cost	933,832	60,959	6,914	-0-	1,001,705

OPELOUSAS-EUNICE PUBLIC LIBRARY  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005

NOTE (6) - CAPITAL ASSETS - CONTINUED

	Balance January 1, 2005	Additions		Retirements Sales and Discards	Balance December 31, 2005
		Purchases	Donations		
Less accumulated depreciation					
Equipment	\$45,768	\$4,226			\$49,994
Furniture and fixtures	26,006	1,625			27,631
Books	625,827	58,677	\$691		685,195
Paintings and stuffed wildlife	15,000				15,000
Improvements	30,721				30,721
<u>Totals at accumulated depreciation</u>	<u>743,322</u>	<u>64,528</u>	<u>691</u>	<u>-0-</u>	<u>808,541</u>
Governmental Activities					
Capital assets, net	<u>190,510</u>	<u>(3,569)</u>	<u>6,223</u>	<u>-0-</u>	<u>193,164</u>

NOTE (7) - EXECUTIVE AND ADMINISTRATIVE EXPENDITURES

Following is a detail schedule of executive and administrative expenditures for the year ended December 31, 2005.

	General Fund	Special Revenue Fund
Salaries	\$197,803	
Payroll taxes and pension contributions	24,274	
Audit and legal fees	7,634	
Maintenance and repairs - equipment	11,415	\$78
Insurance	3,666	
Miscellaneous	1,357	62
Rentals	2,982	
Office supplies	11,896	23
Communications	4,630	
Travel	2,416	88
Automation software	6,262	
Bayou Land Library System	200	
Lafayette Council	330	
Utilities	23,636	
	<u>298,501</u>	<u>251</u>

NOTE (8) - ECONOMIC DEPENDENCY

The Library is economically dependent upon funding from the cities of Opelousas and Eunice, Louisiana, including providing a building and building expenses.

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE

OPELOUSAS-EUNICE PUBLIC LIBRARY  
OPELOUSAS, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<u>REVENUES</u>				
Intergovernmental				
City of Opelousas	\$191,400	\$191,400	\$191,400	
City of Eunice	105,000	105,149	103,803	\$(1,346)
Machine charges	3,500	2,900	3,174	274
State aid		25,511	25,511	
Interest	1,000	800	811	11
Donations of fixed assets			6,914	6,914
Library fines, fees	4,173	3,273	3,444	171
Miscellaneous grant income	1,038	12,846	12,846	
Miscellaneous	875	1,075	2,802	1,727
<u>Total revenues</u>	<u>306,986</u>	<u>342,954</u>	<u>350,705</u>	<u>7,751</u>
<u>EXPENDITURES</u>				
Current				
Executive and administrative	312,973	305,830	298,501	7,329
Capital outlay				
Books	45,494	47,494	52,311	(4,817)
Furniture and equipment	20,773	20,333	15,562	4,771
<u>Total expenditures</u>	<u>379,240</u>	<u>373,657</u>	<u>366,374</u>	<u>7,283</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES</u>	<u>(72,254)</u>	<u>(30,703)</u>	<u>(15,669)</u>	<u>15,034</u>
<u>OTHER FINANCING SOURCES</u>				
Operating transfers in	2,500	2,500	2,500	
<u>Total other financing</u>				
<u>sources</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-0-</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>(69,754)</u>	<u>(28,203)</u>	<u>(13,169)</u>	<u>15,034</u>
<u>FUND BALANCE, beginning of year</u>	<u>57,091</u>	<u>102,827</u>	<u>150,901</u>	<u>48,074</u>
<u>FUND BALANCE, end of year</u>	<u>(12,663)</u>	<u>74,624</u>	<u>137,732</u>	<u>63,108</u>

OPELOUSAS-EUNICE PUBLIC LIBRARY  
OPELOUSAS, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Fines	\$4,500	\$3,500	\$3,647	\$147
Interest	5	5	6	1
<u>Total revenues</u>	<u>4,505</u>	<u>3,505</u>	<u>3,653</u>	<u>148</u>
<u>EXPENDITURES</u>				
Executive and administrative	1,494	1,494	251	1,243
<u>Total expenditures</u>	<u>1,494</u>	<u>1,494</u>	<u>251</u>	<u>1,243</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	<u>3,011</u>	<u>2,011</u>	<u>3,402</u>	<u>1,391</u>
<u>OTHER FINANCING USES</u>				
Operating transfers out	(2,500)	(2,500)	(2,500)	
<u>Total other financing uses</u>	<u>(2,500)</u>	<u>(2,500)</u>	<u>(2,500)</u>	<u>-0-</u>
<u>NET CHANGE IN FUND BALANCE</u>	511	(489)	902	1,391
<u>FUND BALANCE, beginning of year</u>	<u>363</u>	<u>1,492</u>	<u>1,434</u>	<u>(58)</u>
<u>FUND BALANCE, end of year</u>	<u>874</u>	<u>1,003</u>	<u>2,336</u>	<u>1,333</u>

OTHER SUPPLEMENTARY INFORMATION



OPELOUSAS-EUNICE PUBLIC LIBRARY  
OPELOUSAS, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE-EXPENDITURES  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Salaries	\$199,349	\$195,766	\$197,803	\$ (2,037)
Payroll taxes and pension contributions	22,911	28,581	24,274	4,307
Audit and legal fees	8,040	7,655	7,634	21
Maintenance and repairs	17,350	12,050	11,415	635
Insurance	4,500	3,666	3,666	
Miscellaneous	3,700	458	1,357	(899)
Rentals	3,300	3,300	2,982	318
Office supplies	14,000	12,000	11,896	104
Communications	4,660	8,660	4,630	4,030
Travel	2,500	2,512	2,416	96
Automation software	13,000	6,500	6,262	238
Bayou Land Library System	200	200	200	
Lafayette Council	500	480	330	150
Utilities	18,963	24,002	23,636	366
Capital outlay	66,267	67,827	67,873	(46)
<u>Total expenditures</u>	<u>379,240</u>	<u>373,657</u>	<u>366,374</u>	<u>7,283</u>

RELATED REPORT

Chizal S. Fontenot, CPA  
James L. Nicholson, Jr., CPA  
G. Kenneth Pavy, II, CPA  
Michael A. Roy, CPA  
Lisa Trouille Manuel, CPA  
Dana D. Quebedeaux, CPA



**JOHN S. DOWLING & COMPANY**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

20  
John S. Dowling, CPA  
1904-1984  
John Newton Stout, CPA  
1936-2005

Retired

Harold Dupre, CPA  
1996  
Dwight Ledoux, CPA  
1998  
Joel Lanclos, Jr., CPA  
2003  
Russell J. Stelly, CPA  
2005

REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Board of Directors  
Opelousas-Eunice Public Library  
Opelousas, Louisiana

We have audited the financial statements of the Opelousas-Eunice Public Library, as of and for the year ended December 31, 2005, and have issued our report thereon dated May 19, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Opelousas-Eunice Public Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Opelousas-Eunice Public Library's ability to record, process, summarize and report financial data consistent with the assertions of management in the basic financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2005-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by an error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

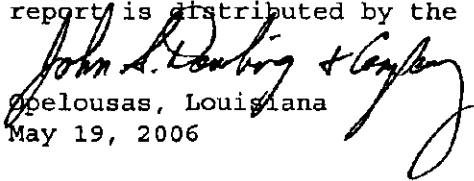
Our considerations of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

Board of Directors  
Opelousas-Eunice Public Library  
Opelousas, Louisiana  
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Opelousas-Eunice Public Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of the Library's commissioners and management and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

  
Opelousas, Louisiana  
May 19, 2006

SUPPLEMENTARY INFORMATION

OPELOUSAS-EUNICE PUBLIC LIBRARY  
OPELOUSAS, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Opelousas-Eunice Public Library.
2. No instances of noncompliance relating to the financial statements of the Opelousas-Eunice Public Library were disclosed during the audit.
3. One reportable condition relating to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
4. There was no single audit required under OMB Circular A-133.

B. 2005 FINDINGS - FINANCIAL STATEMENT AUDIT

2005-1 Individual Segregation of Accounting Functions

Finding: Due to the small number of accounting personnel, the Library did not have adequate segregation of functions within the accounting system.

Recommendation: Based on the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

OPELOUSAS-EUNICE PUBLIC LIBRARY  
OPELOUSAS, LOUISIANA  
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2005

Response to finding 2005-1:

A complete segregation of duties is not feasible due to the cost-benefit of hiring additional personnel and the size of the Library.

OPELOUSAS-EUNICE PUBLIC LIBRARY  
OPELOUSAS, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2005

SECTION 1 - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2004-1 Finding: Inadequate Segregation of Accounting Functions

Status: This finding is unresolved. See current year finding 2005-1.

SECTION II - FEDERAL AWARDS

No findings.

SECTION III - MANAGEMENT LETTER

No findings.